

AHURA WELDING ELECTRODE MANUFACTURERS LIMITED



**37th Annual Report
2000 - 2001**

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ANNEXURE

Form A (See Rule 2)

Form of Disclosure of Particulars with respect to conservation of energy.

2000 - 2001 (15 Months)	1999 - 2000 (12 Months)
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A. POWER AND FUEL CONSUMPTION

Electricity :

a) Purchased		
Units	585432	929098
Total amount (Rs. in lacs)	29.34	44.06
Rate/Unit(Rs)	5.00	4.74
b) Own Generation		
Units	13524	34098
Total amount (Rs. in lacs)	2.57	3.22
Rate per Unit	19.00	9.44
2. Coal and Leco used	—	—
3. Furnace Oil used (Rs. in lacs)	—	—
4. Others/internal Generation	—	—

B. CONSUMPTION PER UNIT OF PRODUCTION (Per mrm*)

a) Electricity	25929	27854
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Form B (See Rule 2)

Form of Disclosure of Particulars with respect to absorption

RESEARCH AND DEVELOPMENT (R&D)

1. Specific Areas in which R & D is carried out by the company is under consideration for approval.	The Company is in the process of developing special types of electrodes for critical applications and the same	
2. Benefit derived as a result of the	Benefit will acquire to the Company when the above electrodes are manufactured.	
3. Expenditure on R & D (Rs. in lacs)	Nil	Nil

*mrm - million running meters



Ahura

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made towards technology absorption, adaptation and innovation Nil
2. Benefits derived as a result of the above efforts
eg. Production improvement, cost reduction, product development, import substitution etc., Nil

FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to Exports The company is making efforts to export dry mixed coating powders to Bangladesh and other countries
2. Initiatives taken to increase exports; development of new export markets for products and services; and export plans. Steps are being taken to increase the company's share in the export market
3. Total Foreign Exchange

	2000-2001 (Rupees in lacs)	1999-2000 (Rupees in lacs)
a) Used	Nil	Nil
b) Earned	9.27	8.91

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AUDITORS' REPORT TO THE SHAREHOLDERS

To
The Shareholders
M/s.Ahura Welding Electrode Manufacturers Ltd.
Coimbatore

We have audited the attached Balance Sheet of M/s.Ahura Welding Electrode Manufacturers Ltd., Coimbatore, as at 30th June 2001 and the Profit and Loss account for the period ended on that date and report that :-

1. As required by the manufacturing and other companies (Auditors' Report) order 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956 we annex here to a statement of the matters specified in paragraphs 4 and 5 of the said order:
2. Further to our comments in the Annexure referred to in paragraph (1) above, we report that
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit:
 - b) In our opinion, proper Books of Accounts required by law have been kept by the company so far as it appears from our examination of such books:
 - c) The Balance Sheet and the Profit and Loss Account dealt with by the report are in agreement with the books of accounts:
 - d) In our opinion the Profit and Loss Account and the Balance Sheet comply with accounting standards referred to in sub section (3C) of sec. 211 of the companies act, 1956 except accounting standard 10 regarding accounting of fixed assets and the guidance note on treatment of reserves created on revaluation of fixed assets issued by the institute of Chartered Accountants of India. The deviations are mentioned in note No. 7 regarding revaluation of fixed assets and its adjustments.
 - e) on the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the said Directors are disqualified as on 30th June 2001, from being appointed as Directors i terms of clause (G) of subsection (1) of section 274 of the Company Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance sheet and the Profit and Loss Account read together with the notes thereon. In particular Note No. 11 regarding non-confirmation / reconciliation of balance of some parties shown under sundry creditors, sundry debtors, loans & advance, if any, and note no.12 regarding non-provisioning of sales tax liability give the information required by the Company's Act, 1956 in the manner so require and give a true and fair view of:
 - (i) In the case of the Balance Sheet of the State of affairs of the company as at 30th June 2001 and
 - (ii) In the case of Profit and Loss Account, of the Loss for the period ended on that date.

for **K. S. G. SUBRAMANYAM & Co.,**
Chartered Accountants
(Sd) **V. Subbiah**
Partner

Place : Coimbatore
Date : 12th October 2001



ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We are informed that the assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
2. The fixed assets of welding division, chennai viz., land, buildings & machineries are revalued as on 30th June 2001 based on the certificate Registered valuer resulting an increase in value by Rs.214.87 lacs.
3. The stock of finished goods, stores, spare parts and raw materials, have been physically verified during the period by management in our opinion, the frequency of verification is reasonable.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
5. As explained to us, there were no material discrepancies noticed on physical verification of the stocks of raw materials, stores and spares and finished goods, having regard to the size of the operations.
6. There are no loans taken from parties listed in the register maintained under section 301 of the companies act, 1956.
7. In respect of loans, secured or unsecured, given to companies, firms or other parties listed in the register maintained under section 301 & 370 (1B) of the Companies Act, 1956, the rate of interest is not prima facie prejudicial to the interest of the company. There is no recovery of interest though the same is debited to the parties account. Also there is no stipulation for re-payment of the loans.
8. In respect of other advances in the nature of loans given to the employees, they are repaying the principal and interest wherever stipulated.
9. In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of spare parts, machinery, equipment's and other assets and for the sale of goods.
10. There are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or agreements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the period to Rs.50,000 or more.
11. The company has a regular procedure for determination of unserviceable or damaged stores and raw materials including components and finished goods. Adequate provisions has been made in the accounts for the loss arising on the items so determined.
12. During the period, the Company has not accepted any deposits from the public.
13. In our opinion and according to the information and explanation given to us, the company has maintained reasonable records for the sale and disposal of waste and scrap.
14. There was no releasable by product for this company during the period. The company has maintained reasonable records for the sale and disposal of waste and scrap.

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15. The company has an internal audit system, which in our opinion is commensurate with the size and nature of the company.
16. The maintenance of cost records for the industry in which the company is engaged has not been prescribed by the central government under section 209 (1) (d) of the Companies Act, 1956.
17. The company is yet to deposit the provident fund dues amounting to Rs. 7.62 lacs.
18. To the best of our knowledge and according to the information and explanations given to us, there is no undisputed amounts payable in respect of income tax, wealth-tax, sales-tax, customs duty and excise duty which were outstanding for a period of more than 6 months from the date they became payable as on 30th June 2001 except Income Tax for assessment year 1996-97 amounting to Rs. 368342/-, APGST of Rs. 88387/- and Sales Tax - Bangalore of Rs. 80076/-
19. To the best of our knowledge and on the basis of information and explanation given to us there are no personnel expenses charged to revenue account other than the expenses under the service contract obligations with the company, employee's and /or generally accepted business practices.
20. The company is not sick industrial company within the meaning of clause (O) of sub section (1) of section 3 of the sick industrial companies (special provisions) Act, 1985.

for **K. S. G. SUBRAMANYAM & Co.,**

Chartered Accountants

Place : Coimbatore

Date : 12th October 2001

(Sd) **V. Subbiah**

Partner